

INTRODUCTION AND PURPOSE

Stock Assessments provides information on approximately 1465 stocks. The purpose of Stock Assessments is to provide key, useable information on each stock to help investors and investment managers identify attractive stocks for purchase, identify unattractive stocks for sale, and monitor fund and portfolio holdings. Stock Assessments can be used as the sole basis for your stock investment decisions or it can be used in combination with your own investment research and analysis. Stock Assessments is provided in an Excel worksheet file that is updated and distributed weekly with end of week prices.

PROPRIETARY, PROVEN MODELS AND RANKINGS

A key feature of Stock Assessments is the attractiveness rankings and ratings on stocks that are based on two proven, proprietary investment models. One model (Price Projector) assesses the past price behavior of each stock in terms of its recent price changes, trend and momentum, and volatility. This information is used to project the price at which the stock is expected to be trading twelve months ahead. Stocks are ranked on their appreciation potential, adjusted for the stock's degree of investment risk. Rankings range from 1 to 100, with the stock ranked 1 indicating the most attractive and the stock ranked 100 indicating the least attractive.

The second proprietary model (Stock Valuator) provides a fundamental valuation assessment for each stock. The fair value for each stock is calculated as the present value of the stock's estimated price four years ahead plus forecast dividends per share to be received over that period. Forecast earnings per share, the resulting rate of growth in earnings, and a measure of the stock's degree of risk are key inputs used to compute a stock's estimated fair value. Stocks are ranked based on the percentage difference between their current price and their estimated fair value. Again, rankings range from 1 (best) to 100 (worst).

An overall ranking for each stock is based on its rankings on the Price Projector and Stock Valuator models. As with the two component models, rankings range from 1 to 100.

RATINGS AND RECOMMENDED ACTION

To further help investors use the stock ranking information, stocks are assigned to one of five investment rating categories. These five rating categories are provided below and range from 1 (Strong Buy) to 5 (Strong Sell). Ratings are based on a stock's overall ranking.

Two ratings are provided for each stock – a Relative Rating and an Absolute Rating. The Relative Rating does not take into account our return expectation for the overall U.S. stock market, as represented by the Standard & Poor's 500 Index, over the next twelve months. The Relative Ratings will always have a fixed percentage of stocks in each of the 5 rating categories. The percentage of stocks in each of the five rating categories based on Relative Ratings is shown in the table at the top of the next page.

The Absolute Rating explicitly takes into account our twelve-month ahead total return forecast for the S&P 500 Index. When and to the extent that a higher rate of return is expected for the S&P 500 Index over the next twelve months, the percentage of stocks in the Strong Buy and Buy rating categories will exceed the percentage in the Strong Sell and Sell categories. Conversely, when and to the extent a low or negative rate of return is expected for the S&P 500 Index over the next twelve months, the percentage of stocks in the Strong Sell and Sell rating categories will exceed the percentage in the Strong Buy and Buy categories.

<i>RATING</i>	<i>RECOMMENDATION</i>	<i>PERCENTAGE OF STOCKS</i>
1	STRONG BUY	10%
2	BUY	20%
3	HOLD/NEUTRAL	40%
4	SELL	20%
5	STRONG SELL	10%

The relative and absolute ratings are both useful. However, investment objectives and performance evaluation criteria are important to determining which of the two is more important. Investors and investment managers whose investment objectives and performance evaluation criteria are based more on relative to market performance should place more emphasis placed on the Relative Rating. If investment objectives and performance evaluation criteria are more based on absolute performance, then more emphasis should be placed on the Absolute Rating.

<i>Column</i>	<i>Description</i>
A	Company Name
B	Stock's Ticker Symbol
C	Stock's Risk Index. The Risk Index is based on 7 company fundamental and stock price factors, such as financial risk, earnings predictability, market capitalization, and stock price volatility
D	Industry Code. This is a 4-digit code that identifies the industry group to which the stock is assigned. (See pages 8-9)
E	Sector Code. This is a 4-digit sector code that identifies the economic sector to which the stock is assigned. This enables sorting of stocks by economic sectors
F	Size is measured by the current market capitalization of a company's common stock. Stocks are categorized into 3 size groups: 1) Large Capitalization, 2) Mid Capitalization, and 3) Small Capitalization. Market capitalization cutoffs are those determined by S&P Dow Jones Indices.
G	<p>Style identifies whether a stock is:</p> <ol style="list-style-type: none"> 1. a Growth stock, 2. a Value stock, or 3. a Blend stock that fall between the two. <p>Style assignments are based on two measures: the stock's current price/earnings ratio, using our estimate of normalized, or base, earnings per share, and a forecast rate of growth in earnings per share over the next five years. Stocks trading at higher price/earnings ratios and having higher estimated growth in earnings are categorized as growth stocks. Stocks trading at lower price/earnings ratios and having lower estimated growth in earnings are categorized as value stocks.</p>

Column

Description

H

Size and Style category. This combines a stock's size and style categories. The first digit is the Size category. The second digit is the Style category. For example, a stock with a Size/Style Code of 1.1 is a Large Cap Growth stock and a stock with a Size/Style Code of 3.3 is a small Cap Value stock. These numerical codes enable sorting stocks by market capitalization category, style category, or a combination of the two.

I

The current market capitalization of the company's common stock, in millions of U.S. dollars.

J

The price of the stock at the close on the date indicated in this column's heading.

K

The stock's Relative Rating, based on the 5 rating categories. This is the relative to market rating for the stock.

L

The stock's Absolute Rating, which takes into account an expected total rate of return for the overall U.S. stock market (S&P 500 Index) over the next twelve months.

M

The stock's overall attractiveness ranking (1 = Most Attractive; 100 = Least Attractive).

N

The expected total rate of return on the stock over the next twelve months.

<i>Column</i>	<i>Description</i>
O	The price of the stock at the close on the date indicated in this column's heading.
P	The stock's ranking from our Price Projector model, as described above. (1 = Most Attractive ; 100 = Least Attractive)
Q	The stock's ranking from our Stock Valuator model, as described above. (1 = Most Attractive ; 100 = Least Attractive)
R	The price at which the stock is projected to be trading 12 months ahead. This comes from the Price Projector model
S	The estimated current fair value of the stock, from the Stock Valuator model.
T	The twelve month ahead price target for the stock.
U	Target Buy Price: The price at or below which the stock is assessed to be attractive for purchase.
V	Target Sell Price: The price at or above which the stock is assessed to be unattractive and sold.
W	The 5 year ahead potential for the stock, reflecting both a target price and forecast dividends. This information is used in the Stock Valuator model.

<i>Column</i>	<i>Description</i>
X	The twelve month ahead price target for the stock.
Y	The current Price/Earnings ratio on the stock, using base earnings per share through the company's last completed fiscal year. Base earnings measure the company's estimated earning power, based on earnings over the past 10 years. Using base earnings helps remove the distortion to earnings caused by the cyclical nature of the company's earnings
Z	The twelve month ahead price target for the stock.
AB thru AH	The percentage change in the stock's price over the following prior periods: 1 week, 1 month, 3 months, 6 months, 9 months, 12 months, and calendar year to date.
AI and AJ	The 52 week High and Low prices of the stock.
AK and AL	Industry and Sector names to which the stock is assigned.

SECTOR & INDUSTRY CODES

CODES

CONSUMER STAPLES

Apparel	1000
Beverages	1005
Food Processing	1010
Household Products	1015
Retail - Softlines	1020
Retail Stores	1025
Retail/Wholesale Food	1030
Shoes	1035
Tobacco	1040
Toiletries/Cosmetics	1045
	1050

CONSUMER DISCRETIONARY

Advertising	1500
Air Transport	1505
Automotive	1510
Auto Parts	1515
Educational Services	1520
Entertainment	1525
Funeral Services	1530
Home Furnishings & Appliances	1535
Home Building	1540
Hotel/Gaming	1545
Newspapers	1550
Publishing	1560
Recreation	1565
Restaurants	1570
Retail Automotive	1575
Retail Building Supplies	1580
Retail - Hardlines	1585
	1590

HEALTH CARE

Biotechnology	2000
Drug	2005
Healthcare Information	2010
Medical Services	2015
Medical Supplies - Invasive	2020
Medical Supplies - Non-Invasive	2025
Pharmacy Services	2030
	2035

INDUSTRIAL/BUSINESS

Aerospace/Defense
Electrical Equipment
Environmental
Engineering & Construction
Human Resources
Industrial Services
Information Services
Machinery
Maritime
Metal Fabricating
Office Equipment&Supplies
Railroads
Trucking
Heavy Truck & Equipment Makers
Diversified & Other

BASIC MATERIALS

Building Materials
Chemicals
Metals & Mining
Packaging & Containers
Paper & Forest Products
Precious Metals
Steel

ENERGY

Natural Gas Diversified
Oil & Gas Distribution
Oilfield Services&Equipment
Petroleum Integrated
Petroleum Producing
Power
Pipeline MLPS

CODES**2500**

2505

2510

2515

2520

2525

2530

2535

2540

2545

2550

2555

2565

2570

2575

2580

3000

3005

3010

3015

3020

3025

3030

3035

3500

3510

3515

3520

3525

3530

3535

3540

FINANCIALS

Banks

Financial Services

Insurance - Life

Insurance - Property/Casualty

Reinsurance

Brokers & Exchanges

Thriffs

Public/Private Equity

Investment Banking

UTILITIES

Electric Utilities

Natural Gas Utilities

Water Utilities

TECHNOLOGY

Computers & Peripherals

Computer Software

Electronics

Entertainment Technology

Internet

Precision Instruments

Semiconductors

Semiconductor Equipment

E-Commerce

IT Services

TELECOMMUNICATIONS

Cable TV

Telecommunications Equipment

Telecommunications Services

Wireless Networking

REAL ESTATE

Real Estate Investment Trusts

Real Estate - Other

CODES**4000**

4005

4010

4015

4020

4025

4035

4040

4045

4050

4500

4505

4510

4515

5000

5005

5010

5015

5020

5025

5030

5035

5040

5045

5050

5500

5505

5510

5515

5520

6000

6005

6010